

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2265 - SB 2506

March 9, 2014

SUMMARY OF BILL: Removes the current prohibition on political funding from insurance companies or insurance associations. Exempts insurers from paying the one percent interest per month, on portions of unpaid clean claims, if the plan enrollees are subject to a grace period of ninety days unless claims are rendered within the first thirty days of the grace period. Removes requirement for a small group health insurer to make certain information and documentation available upon request to the Commissioner of the Department of Commerce and Insurance. Removes a continuation of policy for a terminated group policy if an individual policy is guaranteed to replace such terminated policy. This act will take effect upon becoming law.

ESTIMATED FISCAL IMPACT:

Increase State Revenue - \$200

Assumptions:

- According to the Secretary of State, Bureau of Ethics and Campaign Finance, the Bureau currently collects a \$100 registration fee per political action committee (PAC), per year.
- According to the Bureau, it does not estimate many additional PACs as a result of this bill.
- Insurance companies are assumed to be part of a PAC currently. The provisions of the bill will allow the contribution of an insurance company's funds to be given to a PAC.
- It is estimated that two additional PACs will register with the Bureau, resulting in a recurring increase in state revenue of \$200 (2 x \$100).
- Based on information provided by the Department of Commerce and Insurance, passage this bill will not significantly impact the Department.

IMPACT TO COMMERCE:

Increase Business Expenditures - Exceeds \$1,000

Jobs Impact – Not Significant

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Assumptions:

- Insurance companies will expend company funds to advance business interests in this state.
- The amount of contributions that will be made cannot be specifically determined; however, such amounts are reasonably estimated to exceed \$1,000 annually. Therefore, a recurring increase in business expenditures estimated to exceed \$1,000 annually.
- Any impact to Tennessee jobs as a result of this bill is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink, appearing to read "Lucian D. Geise".

Lucian D. Geise, Executive Director

/jdb